GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1350
ANSWERED ON:25.07.2016
Fund of Funds for start ups
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has approved setting up of "Fund of Funds for Startups" with a corpus of Rs. 10,000 crores at Small Industries Development Bank;

(b) if so, the details thereof along with its key features and the time by which the said fund is likely to be set up;

(c) whether this fund is expected to create a large number of jobs and if so, the details thereof along with the timeframe fixed for creating these jobs;

(d) the details of the amount provided to the corpus of the Fund of Funds for start ups in 2015-16 along with the number of jobs generated therefrom; and

(e) whether there is any mechanism to monitor and review the performance linked to the implementation of the action plan to enable execution as per project timeline and deliverables and if so, the details thereof?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a): Government has approved the establishment of "Fund of Funds for Startups" (FFS). The corpus of FFS is of INR 10,000 crore over a period of 4 years (i.e. INR 2500 crore per year) which shall be released subject to progress of the scheme and availability of funds.

(b): Rs. 500 crore was released to Small Industries Development Bank of India (SIDBI) as first tranche in March 2016. Rs. 600 crore has been provided in the budget for the current financial year. Applications received from various Alternative Investment Funds (AIFs) for FFS support are under various stages of processing and approval. Key features of FFS are annexed.

(c) & (d): An amount of Rs. 500 crore has been provided to the corpus of FFS in 2015-16. No such data is maintained centrally for assessing the impact of funds provided through FFS. However, such a provision of funds supplements the domestic capital of startups and has a multiplier effect in stimulating economic growth leading to increased production and employment generation.

(e): A Monitoring Committee comprising of Department of Industrial Policy and Promotion, Department of Revenue, NITI Aayog, Ministry of Micro, Small and Medium Enterprises, Department of Science and Technology, Department of Bio-technology, Department of Electronics and Information Technology, Department of Higher Education and Small Industries Development Board of India to monitor implementation of the Action Plan of Start-up India initiative has been constituted by this Department.

The Committee shall have the following roles:

1. Review the progress of Action Plan
2. Evaluate the quality and effectiveness of work done
3. Strategic and operational planning for implementation of various measures
4. Ensure that initiatives meet the needs of beneficiaries
5. Ensure that the initiative is able to demonstrate its impact in full measure
6. All measures taken comply with the law and are within the policy framework.

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